

least came for purposes of acquiring additional information. I noticed in here that the Director of Nebraska's Economic Development Department appeared. What was his comment relative to this particular piece of legislation?

SENATOR GEORGE: The Department of Economic Development actually supports the bill, but it seems to be the policy of department heads not to come to hearings and definitely support, openly, the bill. I think they are prohibited from doing so, therefore, all the material here that I have on this three-page handout was furnished voluntarily by the Department of Economic Development. But the actual body that supports it is the Housing Advisory Council. That is an appointed citizens group. They do support it. Any kind of a state department normally seems to come to hearings and they testify, but they usually don't tell you whether they are for or against the bill.

SENATOR VENDITTE: You know, Senator George, it was rather interesting because in this three-page handout that you had sent to the members of the Unicameral at the top of the page you have LB 476 underlined in red. I guess it brings back something that I have been at least involved in indirectly. That has been areas, for example, in the City of Omaha that have been somewhat taboo by savings and loans, in terms of wanting to invest any monies in those areas. I do know that there have been several people who have been very much interested in buying a home in a particular section of the City of Omaha, but have been refused simply because that area was in an area that had been red-lined by the banks, savings and loans, or whomever. You know, Senator George, it's extremely difficult to obtain a loan in those areas. As a matter of fact you cannot get a loan. I know of one instance where a family wanted to buy a home in an area. They went to apply for this loan. In talking to the banker he said that the only way you could get this home would be to provide the entire amount of money that the home would cost as collateral. That would have to be used as collateral, full cash. Only under those circumstances would they even consider lending. But I guess the question I have, Senator, how would this particular piece of legislation, let's say prevent areas in urban areas or any other part of the State of Nebraska from becoming red-lined? If they are red-lined, how would this piece of legislation help people who want to acquire homes in such areas?

SENATOR GEORGE: Senator Venditte, that is a good point. I'm glad that you brought that out. We do have some problems with some capital going into some dilapidated neighborhoods. We have had that problem. We discussed it at a public hearing in Omaha. We actually drove around with the Urban Affairs Committee and looked at some of those neighborhoods. Therefore, you see also on that same page where you started quoting that next sentence, the second purpose of this act is to encourage and assist the revitalization of declining neighborhoods. That definitely is a point. You see the fund...the nine directors, and called the fund, they can make their rules and regulations. More or less they can dictate to an S & L you should loan that money under those and those conditions. If you don't we'll....

SENATOR VENDITTE: Senator, who is this? Who would be making this decision again?

SENATOR GEORGE: The fund which is the nine appointed members could certainly make the rules and regulations under which conditions, and where it should be impacted, and how that money should be used.